

Chapter 1 - Overview of the Self-Assessment and Annual Review Process

1.1 Introduction

Purpose	<p>This chapter provides an overview of the University of California's (University) self-assessment process. This ongoing process includes annual self-assessments performed at the three Department of Energy (DOE) Laboratories. This process is required under Appendix F, Section A, of each Laboratory's prime contract. The University and the three Laboratories work closely with the DOE Albuquerque and DOE Oakland Site Offices in a "Partnership for Performance" in the development and implementation of the processes described in this manual.</p>
Prime Contracts	<p>The University is responsible for the management and operation of three DOE Laboratories:</p> <ul style="list-style-type: none">• Los Alamos National Laboratory (LANL)• Lawrence Berkeley National Laboratory (LBNL)• Lawrence Livermore National Laboratory (LLNL) <p>Each Laboratory is managed under a separate, but similar, prime contract between the University and DOE. The purpose of these prime contracts is to encourage basic scientific progress and ensure adequate technical accomplishment in the interest of public welfare, through sound management practices in the execution of Laboratory operations.</p>
Objective of Enhanced Management	<p>DOE and the University share the objective that the result of expanded and enhanced University management of the Laboratories will be improved management effectiveness, enabling DOE to modify its presence at the Laboratories, thus reducing duplication of functions and improving support of DOE's mission.</p>

Continued on next page

1.1 Introduction, Continued

Objective Standards of Performance

Appendix F, Section A of each prime contract includes specific Objective Standards of Performance (known as Performance Objectives, Criteria and Measures, or POCMs). They are established by the University, the Laboratories, and DOE to:

- Drive continuous improvement
- Annually assess and rate the administrative and operational performance of each Laboratory
- Annually determine a multiplier to be applied to each Laboratory's executive salary increase pool
- Annually determine adjustments for the risk pool/UCDRD funding

Objective standards of performance are reviewed annually by functional teams consisting of University and Laboratory functional managers and their DOE counterparts. The objective standards of performance are then reviewed by the Performance-Based Management Steering Committee (refer to Section 1.2, Roles and Responsibilities, and Section 1.7, Charter of the Performance-Based Management Steering Committee) and approved by University and Laboratory senior management and the DOE Field and Site Offices. The current year Objective Standards of Performance appear in Section 3.4 of this manual.

When developing objective standards of performance, the team ensures that the following elements are included:

- Overall performance objectives
- General criteria required to support each objective
- Specific performance measures that demonstrate the level of performance achieved
- Specific gradients that are used in determining a rating for each measure

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1.1 Introduction, Continued

Performance-Based Management Process

Following is a diagram (Fig. 1) of the performance-based management process used in the development of ongoing self-assessment and annual review.

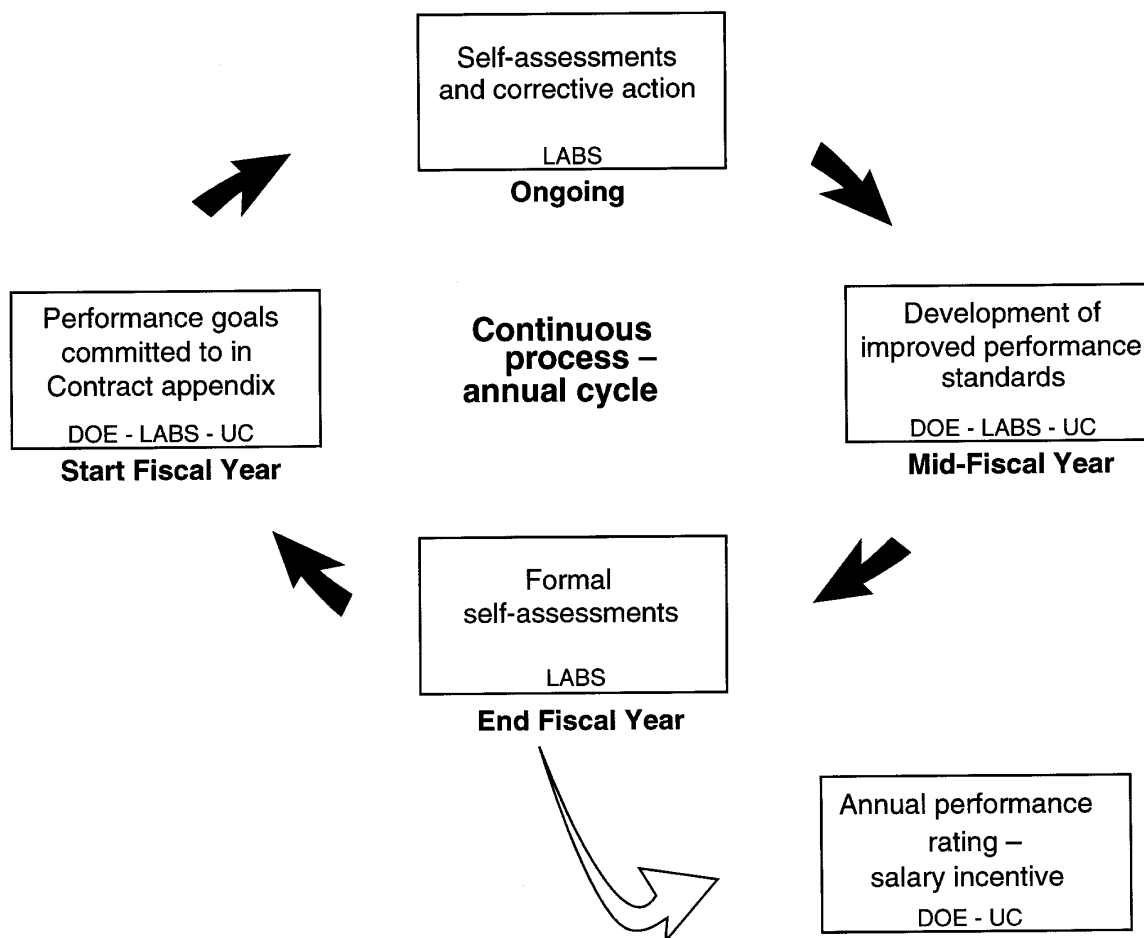


Fig. 1 Annual Performance-Based Management Process